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FISCAL IMPACT STATEMENT

LS 6811
BILL NUMBER: SB 439

NOTE PREPARED: Feb 17, 2015
BILL AMENDED: Feb 10, 2015

SUBJECT: Controlled Substances.

FIRST AUTHOR: Sen. Hershman
FIRST SPONSOR: Rep. T. Brown

BILL STATUS: As Passed Senate

FUNDS AFFECTED: X GENERAL
X DEDICATED
X FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill limits Medicaid reimbursement for Subutex and Suboxone or a similar trade name, or generic of the drug when the drug was prescribed for the treatment of pain management to only if the drug was prescribed by a physician who meets certain requirements.

The bill allows for the Office of Medicaid Policy and Planning to require prior authorization for these drugs when being prescribed for substance abuse treatment as determined by the Drug Utilization Review Board or when being prescribed for more than six months.

The bill requires the Division of Mental Health and Addiction (DMHA) to adopt rules concerning:
(1) opioid treatment by an opioid treatment provider;
(2) take-home opioid treatment medications;
(3) clinical standards for tapering of a patient, relapse, and overdose prevention; and
(4) specified standards and protocols for an opioid treatment provider.

The bill also requires an opioid treatment provider to periodically and randomly test a patient for specified drugs during treatment.

Effective Date: July 1, 2015.

Explanation of State Expenditures: Administrative costs associated with potential changes to prior authorization requirements within the Medicaid program by the Drug Utilization Review (DUR) Board and the promulgation of rules regulating opioid treatment providers by DMHA should be within the current levels of resources available to the Family and Social Services Administration.

Under provisions of the bill, waivered prescribers' clients would be allowed to receive Medicaid reimbursement for the buprenorphine/naloxone for up to 6 months with or without prior authorization (PA), depending on the actions of the DUR Board. After 6 months, PA could be required and Medicaid reimbursement would not be available unless the prescriber is treating within a certified opioid treatment program (OTP) or is an opioid treatment provider meeting the requirements of rules to be promulgated by the DMHA. This provision would have no fiscal impact unless SAMHSA-waivered prescribers would choose to discontinue prescribing buprenorphine/naloxone for substance abuse treatment due to additional DMHA requirements.

The provision limiting Medicaid reimbursement for Subutex and Suboxone for pain should have no fiscal impact. (FSSA reported that the brand Subutex is no longer on the market and that it is already illegal to prescribe Suboxone for pain.)

Additional Information:

Currently, Medicaid requires PA for buprenorphine and buprenorphine/naloxone. FSSA reported that since Suboxone is addictive and contains opiates, the drug has street value and may be subject to diversion or misuse.

Currently, buprenorphine/naloxone may be dispensed or prescribed by private physicians for addiction treatment under a waiver granted by the federal Substance Abuse and Mental Health Services Administration (SAMHSA). The provider must complete required training and meet all U.S. Drug Enforcement Administration guidelines. These providers are limited to 100 patients prescribed buprenorphine/naloxone for addiction treatment, and the physicians may write prescriptions for up to 30 days. According to the SAMHSA website, Indiana currently has 245 physicians and 54 treatment centers approved to prescribe Suboxone. It is not known at this time how many of these physicians are affiliated with CMHCs or other mental health program providers.

In 2014, the Medicaid pharmacy benefit had the following numbers of paid claims for buprenorphine/naloxone combination drugs.

Product	2014 Claims
BUNAVAIL	5
Buprenorphine/naloxone tablets	2,100
Suboxone	29,672
Zubsolv	656
Total	32,433

FSSA reported that the average monthly Medicaid reimbursement for Suboxone is $210. Total cost of the Suboxone alone in 2014 was about $6.2 M. The state match was approximately $ 2.1 M. This estimate is for the drug alone; it does not include office visits, laboratory, or other associated medical expenditures.

If each of the 245 SAMHSA-waivered prescribers dispensed or wrote 30-day buprenorphine/naloxone prescriptions for 100 patients for substance abuse treatment for one year, the total number of potential

monthly claims would be 294,000. The 2014 Medicaid reported paid claims would have constituted about 11% of the total claims possible.

The HIP 2.0 Medicaid expansion waiver includes substance abuse treatment services for the existing caretaker adult population that is not included in the aged, blind, and disabled eligibility categories as well as the expansion population of noncaretaker adults between the ages of 19 and 64. Medical services provided for the new noncaretaker adult group will be expected to cost less in state funds since the Affordable Care Act (ACA) provides for higher rates of federal financial participation - 100% for the first six quarters and 95% for the last two quarters of the upcoming budget biennium. The impact on the cost of substance abuse treatment services by the expansion group on the Medicaid program is not known at this time.

FSSA reported that Suboxone dispensed at an OTP is treated like methadone. A client is required to attend daily for dosing until the physician and treatment team determine that take-home medications should be approved. Eligibility for take-home medications is based on clean drug screens and compliance with other treatment requirements.

Of the 13 existing certified Opioid Treatment Programs, 10 are not enrolled Medicaid providers and do not bill Medicaid. Clients in OTPs were reported to pay $70 to $300 per week for Suboxone. The three Medicaid enrolled programs are community mental health centers (CMHC). DMHA reported that the CMHCs do not currently bill Medicaid for OTP services, instead using federal block grant monies to provide treatment services to high-profile opioid drug abusers, such as pregnant women, IV drug abusers, and HIV-positive individuals.

Explanation of State Revenues: Medicaid is jointly funded by the state and federal governments. The effective state share of program expenditures is approximately 33.5% for most current services. Current Medicaid medical services are matched by the effective federal match rate in Indiana at approximately 66.5%. Administrative expenditures with certain exceptions are matched at the federal rate of 50%.

Under provisions of the ACA, the enhanced FMAP for the newly eligible noncaretaker adult population in HIP 2.0 will be:

(1) 100% for CY 2014, 2015, and 2016;
(2) 95% in CY 2017;
(3) 94% in CY 2018;
(4) 93% in CY 2019; and
(5) 90% in CY 2020 and thereafter.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Family and Social Services Administration, DMHA.

Local Agencies Affected:

Information Sources: FSSA, DMHA; Buprenorphine Physician and Treatment Program Locator at: http://buprenorphine.samhsa.gov/pls/bwns_locator/!provider_search.process_query?alternative=CHOICEG&one_state=IN#programs .

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